

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE:	
INTERSTATE POWER AND LIGHT COMPANY, MIDAMERICAN ENERGY COMPANY, AND BLACK HILLS/IOWA GAS UTILITY COMPANY, LLC, d/b/a BLACK HILLS ENERGY	DOCKET NOS. EEP-2012-0001 EEP-2012-0002 EEP-2013-0001

ORDER REQUESTING RESPONSES

(Issued December 2, 2016)

On September 30, 2016, the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, filed with the Utilities Board (Board) a statewide Technical Reference Manual (TRM) in accordance with the final orders issued by the Board for the current Energy Efficiency Plans of Interstate Power and Light Company (IPL), MidAmerican Energy Company (MidAmerican), and Black Hills/Iowa Gas Utility, LLC, d/b/a Black Hills Energy (Black Hills), and on behalf of IPL, MidAmerican, Black Hills, the Environmental Law and Policy Center (ELPC), and the Iowa Environmental Council (IEC). OCA requests, on behalf of the parties, that the Board approve the TRM as well as the proposed Implementation and Update Process that is included in the manual.

In the Final Orders issued for the current 2014-2018 Energy Efficiency Plans of IPL,¹ MidAmerican,² and Black Hills³ the Board approved portions of the Settlement Agreements submitted in each proceeding in which the utilities agreed to participate in a collaborative process that would engage interested stakeholders in the development of a statewide TRM. In doing so, the Board relied on evidence indicating that the development of standard and defensible protocols for calculating savings, including useful life and baseline assumptions for various energy efficiency offerings, through a statewide TRM would (1) bring improved precision and more rigorous and frequent review to the deemed savings employed in the statewide assessment of potential and (2) contribute to reported savings mapping more closely to verified savings and provide structure for program planning and goal setting.

Based on the provisions of the Settlement Agreements, a planning committee was formed to develop a request for proposals for an independent, third-party contractor to be selected through a competitive bidding process. The collaborative process resulted in the selection of Vermont Energy Investment Corporation (VEIC) as the independent, third-party TRM contractor. A TRM Oversight Committee, which includes representatives from Iowa utilities and interested stakeholders, was formed to work with VEIC, to oversee the development of the TRM.

¹ Docket No. EEP-2012-0001

² Docket No. EEP-2012-0002

³ Docket No. EEP-2013-0001

It is apparent from the Board's review of the TRM that significant time and consideration went into its development. However, the Board has several questions related to the implementation of the TRM and its impact on the utilities' current and future Energy Efficiency Plans. Therefore, the Board requests responses from IPL, MidAmerican, Black Hills, the TRM Oversight Committee, and any other interested party, either individually or jointly, to the following questions:

1. Would implementation of the TRM for the last two years of the current energy efficiency plan (2017 and 2018) impact the Board's already approved five-year energy efficiency plans?

a. If yes, provide the estimated impact of the TRM on the savings projected and approved in the five-year plan for each utility by program (electric and natural gas) for 2017 and 2018.

b. Is it anticipated that the utilities would request a plan modification to account for changes in savings that occur from implementing (and updating) the TRM?

2. Should the Board's rules in 199 IAC chapter 35 be revised to accommodate the proposed TRM process?

3. Could the TRM be adopted for the entire five-year energy efficiency plan rather than updating it annually?

a. If not, should the five-year energy efficiency plan period be shortened to three or four years to account for the updates to the TRM?

4. Under the current energy efficiency plan approval process, assumptions used in the Assessment of Potential and in development of the five-year plan savings calculations are used throughout the five-year plan. If the Board approves a five-year plan based on one set of assumptions and that set of assumptions has the potential to change annually with updates to TRM, how does that impact the Board's original approval of the five-year plan?

a. How would each utility track (and report to the Board) the projected changes (in savings and cost-effectiveness) that may occur based on the TRM updates?

5. Do changes or updates in the TRM assumptions have the potential to impact the cost-effectiveness of energy efficiency programs? If yes, how will utilities track (and report to the Board) the changes in cost-effectiveness and how would it impact the approved plans?

6. How do the parties propose that the Board make decisions on non-consensus technical issues in the future?

7. Does the Board's approval of the TRM indicate that the Board has completed a thorough review of the assumptions and formula for each measure?

IT IS THEREFORE ORDERED:

The Board requests responses to the questions identified in this order within
30 days of the date of this order.

UTILITIES BOARD

/s/ Geri D. Huser

/s/ Elizabeth S. Jacobs

ATTEST:

/s/ Trisha M. Quijano
Executive Secretary, Designee

/s/ Nick Wagner

Dated at Des Moines, Iowa, this 2nd day of December 2016.